

THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

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Office of Legislative Counsel

1 SEP 1978

OLC: 78-2688/5

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Mr. Stanley E. Morris
Deputy Associate Director for Regulatory
Policy and Reports Management
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Morris:

As was requested in the Office of Management and Budget Bulletin No. 78-16 dated 30 June 1978 entitled "Reducing the Number of Executive Branch Reports to the Congress," this Agency has undertaken a detailed review of all standing requirements for CIA reports to the Congress. Each reporting requirement was carefully weighed to determine if it could be simplified or eliminated.

Our current standing reporting requirements are extremely limited but do serve valid Congressional purposes, are not duplicative, and do not impose an undue cost or administrative burden on this Agency.

We appreciate having had the opportunity to comment on this survey. If I can be of further assistance, please let me know.

Sincerely,



Frederick P. Hitz
Legislative Counsel

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1 SEP 1978

Mr. J. Kenneth Fasick, Director
International Division
General Accounting Office
Washington, D.C. 20548

Dear Mr. Fasick:

This is in response to your request for Admiral Turner's comments on the draft General Accounting Office report entitled "U.S. Export Licensing Administration Should be More Responsive to Industry."

We are pleased to note the report's recognition that the export licensing system must continue to take into account the Government's legitimate responsibility to control exports for national security reasons. In this connection, we offer the following specific comments on the draft report:

- With regard to the discussion of recommended appeal procedures on pages 54-55, we believe the report should note that specific discussions of denials are likely to be impossible in some cases where national security considerations are involved. The statutory responsibility of the Director of Central Intelligence for the protection of intelligence sources and methods could preclude full public disclosure of the reasons for a particular denial.
- Page 3 of the draft report contains a misstatement with respect to the CIA's role in the present export licensing system. CIA is listed as a consultant along with the Departments of Energy, State and Justice. This implies that the roles of the four agencies are the same. Unlike the other agencies, however, the CIA does not normally have voting powers in the current inter-agency committees that deal with export controls; the Agency is officially designated as an intelligence advisor, and it votes only on items that might affect intelligence collection operations.

In this connection, you may wish to inform Congressman Edwards that the contention in his 27 May 1977 letter to the Comptroller General that the CIA is among those frequently using a veto power over semiconductor exports is inaccurate.

Please note that it is our understanding that implementation of the recommendations contained in the draft report would in no way affect current procedures related to Department of State licensing of munitions exports. We appreciate the opportunity to comment on this study.

Sincerely,

7s) Frank C. Carlucci

Frank C. Carlucci

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